

September 20, 2012

13-030

AUTHORIZE REVISED EXPENDITURE AUTHORITY
FOR AN EXISTING CONTRACT WITH PROJECT
MANAGEMENT RESOURCES, LLC FOR THE
PURCHASE, STORAGE, REFURBISHMENT, MOVING,
AND INSTALLATION OF USED OFFICE FURNISHINGS

PREPARED BY: Avelina Gulmatico, Bond Procurement Coordinator

FINANCIAL
RESPONSIBILITY: Linda Degman, Director, Bond Program

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services
Randy McEwen, District Vice President
Dr. Preston Pulliams, District President

REPORT: On January 21, 2010 (BA 10-053), the Board of Directors approved contracts for moving, furniture installation/de-installation and warehouse storage services to five (5) moving contractors, valid through 2015 and for a not-to-exceed amount of \$300,000 per vendor, for a total of \$1,500,000. One of those vendors is Project Management Resources LLC (PMR).

PMR is a locally-based firm specializing, in addition to moving and storage services for project environments, in systems furniture such as office furnishings, workstations, and general office furniture. They represent a number of manufacturers in selling new furnishings. PMR also is a high volume dealer for high quality used office furnishings. In that regard, they purchase, warehouse, refurbish, and install this furniture at deeply discounted prices. They maintain coverage for a wide number of manufacturers, similar to their "new equipment" business. The protracted economic downturn has unfortunately resulted in very high availability of large amounts of high quality office furnishings. The College worked with PMR during the 2000 Bond program to acquire and install a variety of office furnishings, mostly used.

One of the goals of the 2008 Bond Program is to support the College's Climate Action Plan and sustainability goals by utilizing, when feasible, used furniture and/or recycled materials in fulfilling office and classroom furniture needs. The College was able to secure a large quantity of used systems furniture that has been used at the Downtown Center, Willow Creek, Newberg, and the Bond office and will be used at each campus (currently being installed in the Southeast Center German American Society building swing space project and Sylvania library and ST renovation). In addition, the College retained a large quantity of tables and chairs from the Capital Center for future College re-use.

The use of used furniture has resulted in savings of approximately \$780,000 so far during the 2008 Bond program.

Under the College's Rules of Procurement, the purchase of used products is exempt from a competitive purchase process. Because of this staff has not previously in this Bond program nor in the 2000 Bond program, reviewed this with the Board.

Due to PMR's involvement with the acquisition of the furniture, its storage and inventory, they are the most efficient and cost effective resource to deliver and install furniture, quickly locate and acquire miscellaneous missing parts, and/or provide repair/refurbishment services for existing furniture. Staff has viewed this as a matter of great efficiency and cost savings, because a single vendor acquires, stores, delivers, and installs the items, rather than having potentially four vendors involved, each doing one of the tasks. In addition, such an arrangement runs the risk of one firm damaging previously refurbished items. This work and the associated warehousing costs have caused the PMR expenditures to substantially exceed the moving services competitive contract award approved by the Board in Resolution 10-053.

In order to ensure transparency and to clarify potential confusion created by the ability to acquire and put in service used assets without a competitive process, staff has prepared the following estimates of the expected end costs associated with acquiring, refurbishing, storing,

delivering, and installing used systems and other office furniture through PMR for the full duration of the 2008 Bond program:

Used furniture acquisition:	\$622,000
Warehousing/inventory mgmt:	\$400,000 (\$5500/month)
Moving/installation:	<u>\$522,000</u>
Total estimated:	\$1,544,000

The savings that will accrue to the College, over an expected 1,000 workstations, is approximately \$2,200,000.

RECOMMENDATION: That the Board of Directors approve the expenditure of \$1,544,000 for used furniture purchases, moving, storage, refurbishment, and installation with Project Management Resources, LLC. Expenditures for this contract will come from the 2008 Bond Fund.